

VZCZCXYZ0002  
RR RUEHWEB

DE RUEHMD #0294/01 0711318  
ZNY SSSSS ZZH  
R 111318Z MAR 08  
FM AMEMBASSY MADRID  
TO RUEATRS/DEPT OF TREASURY WASHDC  
INFO RUEHC/SECSTATE WASHDC 4457

S E C R E T MADRID 000294

SIPDIS

SIPDIS

TREASURY FOR DEPUTY SECRETARY'S OFFICE, ALSO FOR  
DO:W.LINDQUIST;  
STATE FOR EUR/WE AND EEB/ESC

E.O. 12958: DNG: CO 03/06/2018  
TAGS: [ECON](#) [EFIN](#) [KTFN](#) [SP](#) [IR](#)  
SUBJECT: TREASURY DEPUTY SECRETARY KIMMITT'S MEETING WITH  
SPANISH SECRETARY OF STATE FOR SECURITY ANTONIO CAMACHO

REF: A. STATE 21770  
[1](#)B. 2006 MADRID 2680

Classified By: DCM Hugo Llorens for Reasons 1.5(b) and (d)

[1](#)1. (S) Summary: Deputy Treasury Secretary Kimmitt, accompanied by DCM, met with Spanish Secretary of State for Security Camacho March 6. Camacho outlined the GOS' views of the threat from Islamic terrorism and emphasized the importance of exchanging information. He suggested the creation of a task force to go beyond exchanging information and work together on terrorism issues. Camacho said the Interior Ministry had forwarded information on Eddin Barrakat Yarkas to the Foreign Ministry for use in UNSC designation, but that the Foreign Ministry had not completed the process. The Deputy Secretary outlined recent FATF and UNSC actions highlighting the danger of operations with Iranian banks that were financing illicit proliferation or terrorist actions. He noted that two Spanish banks, Santander and Sabadell, maintained correspondent relationships with Iranian banks. In response to Camacho's defense of Santander's cooperation on terrorist finance issues, he explained that any operations with Iranian banks exposed the Spanish banks to possible unwitting involvement in illicit transactions. End Summary.

#### ISLAMIC TERRORISM

[1](#)2. (S) Secretary Camacho began by emphasizing the importance of interchanges with the U.S. for Spain's security. In response to the Deputy Secretary's question about lessons learned from the January 19 arrest of suspected terrorists in Barcelona, Camacho noted that Spain had detained over 300 Islamic terrorists in recent years. He said the operation had reinforced the value of exchanging information as quickly as possible. He noted that the operation had been carried out by the Guardia Civil but with information from the intelligence services and from third countries. He noted problems of coordination of services within Spain and from other countries. Deputy Secretary Kimmitt praised the GOS' expertise in disrupting Al-Qaeda cells operating in Maghreb countries and linked to Europe. He asked whether we could do more together, such as joint recommendations for UNSCR 1267 designations. Camacho said the Spanish and U.S. services shared information, that his meeting with the head of the National Counterterrorism Center had been valuable, and that Spain was willing to consider any formula that would lead to faster exchange of information and breaking old habits.

[1](#)3. (C) Camacho said terrorists from the Maghreb, Pakistan, Afghanistan, and Iraq all were present in Spain. He believed Spain had detained more terrorists than any other European country. He said the GOS regularly told the USG and other partners about the danger posed by Al-Qaeda in the Maghreb.

He said Morocco, Algeria, Tunisia, and Mauritania all were affected and that the French and Spanish governments each had good relations with the governments of the four countries. Ceuta and Melilla, Spain's two enclaves on the North African mainland, also were threatened. He lamented the failure of northern Europe to clearly understand the threat. He said that Al-Qaeda was always referring to recovering "al-Andalus," (the Arabic name for the Iberian territory the Arabs had held for hundreds of years). Camacho said Spain was directly menaced by Al-Qaeda and that Europe and the U.S. needed to work together to deal with this threat now in order not to have a greater problem later. He added that Maghreb radicalization was not only a European problem, as terrorists crossed borders easily to plan attacks in one country and carry them out in another.

#### TERRORISM FINANCE

14. (S) Deputy Secretary Kimmitt noted that the financial system also was interconnected and that terrorists and weapons proliferators were looking for the weakest points in the system. Camacho said that Islamic terrorist financing was very complicated and unique, adding that many of Spain's terrorism-related detentions were for financial actions such as funding the travel of mujaheddin to Iraq. The Guardia Civil had stepped up its analysis of Islamic terrorism financing, leading to better operations against cells. The Deputy Secretary noted that the Director of the U.S. Financial Crimes Enforcement Network would visit Spain in April and that the GOS should ask him for anything they needed, though he thought information exchange through existing channels was good. In response, Camacho suggested the creation of a task force to work together, going beyond the traditional practice of exchanging information but working separately. The Deputy Secretary promised to discuss

the idea with the Embassy and in Washington.

#### DESIGNATIONS

15. (C) The Deputy Secretary asked about the status of designations of Eddin Barrakat Yarkas and Driss Chebli. Camacho noted that Yarkas had been in jail since 2001 and had been convicted in 2006 for his role in the September 11 attacks. He said the Interior Ministry had passed information to the Foreign Ministry to be used in UNSC designation. He said the Foreign Ministry was working on this effort but that it had not yet been completed. Camacho said Chebli had been acquitted, implying that this was the reason he was not the subject of any Spanish designation effort.

#### IRAN/BANKING

16. (C) The Deputy Secretary asked how the EU would implement UNSCR 1803 in Brussels and at the member state level. He noted that it named two new banks, Bank Saderat and Bank Melli, as warranting particular vigilance. Camacho said Spain's Financial Intelligence Unit, SEPBLAC, had investigated Bank Saderat. He thought both Europe and Spain were aware of the risks of Iran and its ongoing experiments and that Europe would take all necessary measures. The Deputy Secretary noted that Iran was a state sponsor of terrorism with budget line items that supported Middle Eastern terrorist groups that also had activities in Europe, the U.S., and elsewhere. He said Iran's central bank, Bank Markazi, coordinated the involvement by state-owned banks in illicit activities. The USG had shared information showing that Saderat funded Hamas and Hezbollah terrorism in Lebanon via London. Sepah, Melli, and Mellat were funding the weapons proliferation program and missile delivery systems. The previous week the Financial Action Task Force, and that week the UNSC, had said to be careful with any Iranian bank, especially Banks Melli and Saderat. The UNSC had called on member states to exercise vigilance over export credit programs to avoid contributing to Iranian acquisition of nuclear missile systems.

17. (C) The Deputy Secretary told Camacho that he had informed

the Central Bank and the Economy Ministry (see septels) that two Spanish banks, Santander and Sabadell, maintained correspondent relationships with Iranian banks. He noted that in Iran it was almost impossible to know your customer and said that the Iranians were using unwitting banks for proliferation-related transactions. Camacho noted that the Spanish banks had a long tradition of cooperation with the government's financial intelligence unit, SEPBLAC. Santander, Spain's most important bank, always was credited with good cooperation. This was not just an issue of banks being potentially used by Islamic terrorists; Spain had a long history of domestic ETA terrorists seeking to use Spanish banks. He had no doubt that Santander would end any suspicious operation that it found without the need for GOS involvement. He encouraged the USG to send any information that SEPBLAC could use, and he asked for more information on the types of operations that should require special care. Deputy Secretary Kimmitt acknowledged that the Spanish banks had a good reputation in the U.S. but said his concern was not about their policy or compliance. He said the only way to avoid the possibility of being misled by Iran was to end these relationships. British, French, and German banks had ended correspondent relationships, and the Iranian banks had moved southwards to Austria, Italy, and Switzerland.

18. (U) This message was cleared by Deputy Secretary Kimmitt.  
AGUIRRE